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**Statement by the Honorable Bobby L. Rush, Chairman
Subcommittee on Commerce, Trade and Consumer Protection
for Hearing on
Stimulating the Economy Through Trade:
Examining the Role of Export Promotion**

March 17, 2009

WASHINGTON, DC — “The Subcommittee will come to order. I want to thank the Members of the Subcommittee for participating in our first trade hearing of the 111th Congress.

“American companies and workers are facing unprecedented competitive challenges in the world economy. Today, the Obama Administration and Congress are revisiting our trade policy. It is essential that we recognize the importance of international trade for U.S. economic growth as an essential component of our policy response to the global financial crisis.

“Today's hearing will explore international trade as a tool to stimulate our economy and examine the role of exports in the growth of the U.S economy. I also want to review the impact of government-sponsored export promotion programs, and the effectiveness of assistance available to help U.S. businesses expand their markets for U.S products and services.

“The two largest export promotion programs are sponsored by the International Trade Agency of the Department of Commerce and the Foreign Agriculture Services unit of the U. S. Department of Agriculture.

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“All export promotion agencies are coordinated by the Trade Promotion Coordinating Committee (TPCC), chaired by the U. S. Department of Commerce. The TPCC was established by the Export Enhancement Act of 1992.

“In the past, Congress has addressed concerns about several important aspects of export promotions, specifically as it relates to inter-agency coordination, common goals, small business assistance and enforcement of trade agreements. Some progress has been made since then; however, today’s economic environment demands a bolder effort to increase our exports and global competitiveness.

“In my home State of Illinois, Caterpillar, Inc. has recently laid off 16 percent of its workforce despite the fact that its world-class equipment is needed to support massive infrastructure projects from China to Africa. Sixty percent of its market is overseas with untapped potential in emerging and new markets.

“In the U.S., exports support six million jobs in the manufacturing industry and one million in agricultural exports. More than one in every five American factory workers owes his or her job to exports. These jobs pay 13- to 18-percent more, on average, than non-trade-related employment.

“Furthermore, in the recent months of stagnating domestic demand, most growth in manufacturing production was attributed to exports. The U.S. is the world's largest manufacturing country but, despite extensive engagement with the global economy, the U.S. has the smallest percentage of its Gross Domestic Product derived from exports in comparison to any other G-7 country.

“U. S. export promotion spending lags behind that of Spain, the United Kingdom, Italy, France, Korea, Canada and Japan.

“American exports in January, 2009, were down 5.7 percent compared to January of last year. In addition, exports accounted for 13.1 percent of the U.S. economy. This is not sufficient, especially now that the American consumer is spending less. We need to move to trade and exports to sustain economic growth. U.S. trade in goods and services dropped by 14 percent between the 3rd and 4th quarters of 2008. We cannot afford to be idle as our export numbers decrease.

“I believe it is crucial that the United States, the world’s largest manufacturer and one of the largest exporters of agricultural commodities in the world, sustain its leadership position in the export of goods and services.

“I strongly believe that, if we are serious about lowering our trade deficit and creating more jobs for Americans, export promotion must be a national priority.

“I am committed to making sure U.S. companies improve their global competitiveness. Canada (20.1 percent) and Mexico (11.7 percent) account for almost one-third of our exports, followed by China and Japan at 5.5 and 5.1 percent, respectively. We need to see higher exports go to Asian markets and we simply cannot rely on Canada and Mexico.

“We cannot put all our eggs in the NAFTA basket. It is important that we explore new markets. Markets in Latin America and Africa cannot simply be abdicated to the benefit of other, more determined exporters. The U.S. export promotion program agencies need to be provided with the resources that are needed to design a long-term, ambitious agenda for sustaining exports and opening new markets for U.S. products, especially in emerging and new markets.

“I commend U.S. businesses for their innovation, their strength and vision in this very competitive and perilous time. I also salute non-profit groups for their dedication and creativity in assisting U.S. businesses as they embark in new ventures.

“Furthermore, I recognize the importance of public-private partnerships in fostering the spirit of American business globally.

“Today is the first of a series of hearings on trade-related matters. I thank all the members and witnesses for participating in this important hearing. And it is my desire that we all continue to work together on trade issues, in a bipartisan fashion, with the goal of helping to materially prosper America’s trade economy.

“I yield back the balance of my time.”

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